

# Reconciliation of the U.S.-Canadian Current Account, 1999 and 2000

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This article will also be published in *Canada's Balance of International Payments, Third Quarter 2001*.

ON a reconciled basis, the U.S. deficit, or Canadian surplus, is \$19.1 billion for 1999 and \$39.6 billion for 2000 (chart 1, table 1).<sup>1</sup> The U.S.-published current-account balance with Canada is a U.S. deficit of \$14.7 billion for 1999 and a U.S. deficit of \$30.7 billion for 2000. The corresponding Canadian-published balance is a Canadian surplus (U.S. deficit) of \$22.0 billion for 1999 and a Canadian surplus (U.S. deficit) of \$42.6 billion for 2000.

This article presents the results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 1999 and

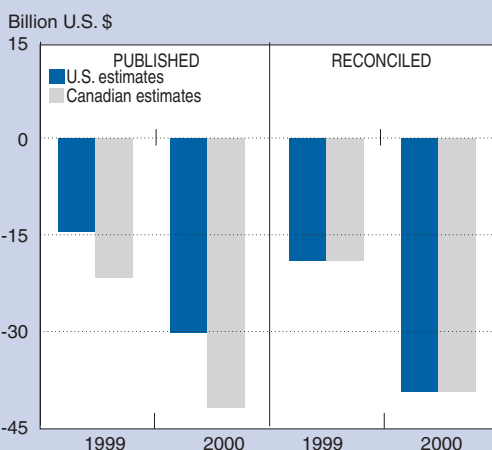
2000.<sup>2</sup> The details of the current-account reconciliation for 1999 and 2000 are presented in the tables that follow this article. Tables 2.1 and 2.2 show the details of the major types of reconciliation adjustments—definitional, methodological, and statistical—that were made to the major current-account components. Tables 3.1 and 3.2 present the published estimates, the estimates on a common basis (after the estimates have been adjusted for definitional and methodological differences),

1. The reconciled estimates are intended to show how the current-account estimates would appear if both countries used the same definitions, methodologies, and data sources. In this article, all values are expressed in U.S. dollars.

2. The reconciliation of the current account has been undertaken each year since 1970. Summary results of the reconciliations were published in the United States in the following issues of the SURVEY OF CURRENT BUSINESS: June 1975, September 1976 and 1977, December 1979, June 1981, and each December of 1981–91. Complete details of the reconciliations for 1990 forward were published in the following issues of the SURVEY: November 1992, each October of 1993–95, and each November of 1996–2000. In Canada, the results were published in the following issues of *Canada's Balance of International Payments* (catalogue 67–001), a publication of Statistics Canada: Fourth Quarter 1973, Second Quarter 1976 and 1977, Third Quarter 1978 and 1979, First Quarter 1981, and each Third Quarter 1981–2000.

CHART 1

## U.S.-Canadian Current-Account Balance<sup>1</sup>



1. Balance shown is net northbound—a U.S. surplus is a Canadian deficit, and a U.S. deficit is a Canadian surplus.

U.S. Department of Commerce, Bureau of Economic Analysis

Table 1.—Major U.S.-Canadian Balances

[Billions of U.S. dollars]

	Published estimates		Reconciled estimates	
	United States	Canada	United States	Canada
<b>1999</b>				
Goods and services .....	-28.9	36.8	-36.9	36.9
Goods .....	-34.6	40.3	-40.8	40.8
Services .....	5.6	-3.5	3.9	-3.9
Income .....	14.9	-16.7	18.3	-18.3
Current unilateral transfers .....	-0.6	1.9	-0.5	0.5
<b>Current account .....</b>	<b>-14.7</b>	<b>22.0</b>	<b>-19.1</b>	<b>19.1</b>
<b>2000</b>				
Goods and services .....	-47.9	57.4	-58.1	58.1
Goods .....	-54.7	61.9	-63.1	63.1
Services .....	6.8	-4.4	5.0	-5.0
Income .....	17.9	-17.0	19.2	-19.2
Current unilateral transfers .....	-0.7	2.2	-0.6	0.6
<b>Current account .....</b>	<b>-30.7</b>	<b>42.6</b>	<b>-39.6</b>	<b>39.6</b>

NOTE.—A U.S. surplus (+) is a Canadian deficit (–), and a Canadian surplus (+) is a U.S. deficit (–).

Details may not add to totals because of rounding.

the reconciled estimates, and the amounts of the adjustments for each major current-account component. Tables 4–7 present the reconciliation details for goods, services, and investment income.<sup>3</sup>

### Reconciled Current-Account Balances

In the U.S. current account, the reconciliation adjustments resulted in an increase of \$4.4 billion in the U.S. deficit for 1999 and an increase of \$8.9 billion in the U.S. deficit for 2000. In both years, the increases reflect larger adjustments to the U.S. southbound estimates than to the northbound estimates (tables 2.1 and 2.2).<sup>4</sup> The largest increases

3. For reconciliation, some of the details presented in the tables in this article differ from those presented in balance-of-payments tables regularly published by BEA and by Statistics Canada.

4. In this article, the term “northbound” refers to U.S. exports of goods and services, U.S. income receipts, and current unilateral transfers to the United States, and it refers to Canadian imports of goods and services, Canadian income payments, and current unilateral transfers from Canada. The term “southbound” refers to U.S. imports of goods and services, U.S. income payments, and current unilateral transfers from the United States, and it refers to Canadian exports of goods and services, Canadian income receipts, and current unilateral transfers to Canada.

### Acknowledgments

The reconciliations were carried out under the direction of Hugh Henderson, Chief, Current Account, in Statistics Canada's Balance of Payments Division, and Anthony DiLullo, former Assistant Chief of BEA's Balance of Payments Division and currently serving as a consultant to the Division. At Statistics Canada, Denis Caron and Robert Th  berge participated in the reconciliation of the Canadian accounts, with the collaboration and assistance of Brian Andr  , Allison Collier, Laura Petts, and Eric Simard. Denis Caron was responsible for the production and coordination of the reconciliation tables. At BEA, Christopher Gohrband and Harlan King, with the assistance of Patricia Abaroa and Elena Nguyen, were responsible for reconciling the U.S. portfolio income accounts; Mark New, for the accounts related to U.S. direct investment in Canada; Gregory Fouch, for the accounts related to Canadian direct investment in the United States; Kwok Lee, for goods; Michael Mann, for services, with the assistance of Mary Frances Styczynski for financial services; and Edward Dozier, for transportation.

### Note on the U.S.-Canadian Current-Account Reconciliation

The U.S.-Canadian current-account reconciliation, which explains the differences between the estimates of the bilateral current account published by the Bureau of Economic Analysis (BEA) and those published by Statistics Canada, is undertaken because of the extensive economic links between Canada and the United States. The reconciled estimates are intended to assist analysts who use both countries' statistics and to show how the current-account estimates would appear if both countries used common definitions, methodologies, and data sources.<sup>1</sup>

In principle, the bilateral current account of one country should mirror the bilateral current account of the other country. Differences occur in the published estimates of the U.S. and Canadian current accounts because of variations in the definitions, methodologies, and statistical sources that are used by each agency. Some of the differences for 2000 are in components of the current account for which data are still preliminary and subject to revision; these differences may be eliminated when final data for these components become available.

The longstanding Canadian-U.S. current-account reconciliation is among the leading examples of the benefits of international data sharing. As a result of the reconciliation process and the exchange of data, the accuracy of the pub-

lished estimates of transactions between Canada and the United States and the efficiency in producing the estimates have increased. The exchange of data between Canada and the United States for transactions—such as trade in goods, travel, passenger fares, Canadian and U.S. Government transactions, and some large transportation transactions—covers more than 80 percent of the value of the Canadian and U.S. current account and has eliminated some of the differences in the Canadian- and U.S.-published estimates. The exchange of data was expanded in 2000, when BEA began using the Statistics Canada estimates of southbound (U.S. payments) computer services in the U.S.-published estimates of services. The Statistics Canada estimates, which are derived from surveys, are believed to have more complete coverage of those services than BEA's estimates.

Although the U.S.- and Canadian-published estimates are reconciled and there is extensive exchange of data between Canada and the United States, differences in the published estimates remain. Complete substitution of reconciled estimates for published estimates and complete exchange of data are not feasible for several reasons. For trade in goods, imports in the U.S. accounts would be affected because the United States attributes Canadian reexports to the country of origin rather than to Canada, the last country of shipment. For some accounts, the protection of the confidentiality of the source data bars the exchange of data. Finally, a few differences are attributable to different requirements for integrating the international and national (domestic) accounts in each country.

1. A detailed article on the methodology was published by BEA in “Reconciliation of the U.S.-Canadian Current Account” in the November 1992 *SURVEY* and by Statistics Canada in *Reconciliation of the Canadian-United States Current Account, 1990–91*. Statistics Canada also published a shortened version in the December 1992 *Canadian Economic Observer* and in *Canada's Balance of International Payments, Third Quarter 1992*.

in the U.S. southbound estimates result from the addition of Canadian reexports to U.S. goods imports (a definitional adjustment), from the valuation of U.S. natural gas imports to include inland freight (a definitional adjustment), and from an increase for undercoverage of some southbound services (a statistical adjustment). The largest increases in the U.S. northbound estimates result from upward adjustments to investment income for undercoverage of income on U.S. holdings of Canadian bonds (a statistical adjustment).

In the Canadian current account, the reconciliation adjustments resulted in a decrease of \$2.9 billion in the 1999 Canadian surplus and in a decrease of \$3.0 billion in the 2000 Canadian surplus. In both years, the decreases reflect larger downward adjustments to the Canadian southbound estimates than to the Canadian northbound estimates. In both years, the Canadian southbound estimates were adjusted downward to account for definitional differences, mainly in unilateral transfers; for methodological differences, mainly the netting of Canadian bank claims and li-

abilities in "other" investment income; and for statistical differences, mainly in "other" services and in direct investment income. In the Canadian northbound estimates, downward adjustments for definitional and methodological differences were mainly in investment income. These downward adjustments were partly offset by upward adjustments for statistical differences in direct investment income.

### Summary of Reconciliation Methodology

In reconciling the differences in the U.S.- and Canadian-published bilateral current-account estimates, the estimates are first restated on a common basis—that is, they are adjusted for definitional and methodological differences; the remaining adjustments that are needed to reach the reconciled values are the statistical adjustments. The framework for reconciling the U.S. and Canadian estimates to a common basis mainly follows the international standards published in the International Monetary Fund's *Balance of Payments Manual* (fifth edition). The U.S.- and Canadian-

**Table 2.1.—Summary of Reconciliation Adjustments, Northbound, 1999**

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	United States	Canada	Reclassification		Gross or net		United States	Canada	United States	Canada
			United States	Canada	United States	Canada				
Goods, balance of payments basis .....	92	-181	232					-577	324	-758
Valuation adjustments .....	92	-181							92	-181
Reclassification of equipment repairs from unaffiliated services .....			232						232	
Statistical adjustments .....								-577		-577
Services .....	121	-344	-232	-66			742	-560	631	-970
Travel .....			653				-95	17	558	17
Reclassification of education from unaffiliated services .....			474						474	
Reclassification of medical services from unaffiliated services .....			179						179	
Statistical adjustments .....							-95	17	-95	17
Passenger fares .....							-215		-215	
Statistical adjustments .....							-215		-215	
Other transportation .....		-121		171			-152	-44	-152	6
Valuation adjustments .....		-121								-121
Reclassification of transportation services from unaffiliated services .....				171						171
Statistical adjustments .....							-152	-44	-152	-44
Other services .....	121	-223	-885	-237			1,204	-533	440	-993
Affiliated .....		-153	-229				256	-1,909	27	-2,062
Valuation adjustments .....		-153								-153
Reclassification of film rentals to unaffiliated services .....			-157						-157	
Reclassification of courier services to unaffiliated services .....			-72						-72	
Statistical adjustments .....							256	-1,909	256	-1,909
Unaffiliated .....	121	-70	-656	-237			948	1,267	413	960
Valuation adjustments .....	121	-70							121	-70
Reclassification of transactions to or from other accounts .....			-656	-237					-656	-237
Statistical adjustments .....							948	1,267	948	1,267
U.S. military sales .....								109		109
Statistical adjustments .....								109		109
Income .....	934	-2,406		66	-1,293	-2,922	2,022	2,159	1,663	-3,103
Direct investment .....		-415		-28		-121	160	2,101	160	1,537
Valuation adjustments .....		-415								-415
Reclassification of dividends to "other" income .....				-28						-28
Adjustment of interest income to a net basis .....						-121				-121
Statistical adjustments .....							160	2,101	160	2,101
Other investment .....	934	-1,991		28	-1,293	-2,801	1,862	48	1,503	-4,716
Valuation adjustments .....	934	-1,991							934	-1,991
Reclassification of dividends from direct investment .....				28						28
Adjustment of interest income to a gross or net basis .....					-1,293	-2,801			-1,293	-2,801
Statistical adjustments .....							1,862	48	1,862	48
Compensation of employees .....				66				10		76
Current unilateral transfers .....		-253			170		110		280	-253
Valuation adjustments .....		-253								-253
Adjustment of U.S. transfers to a gross basis .....					170				170	
Statistical adjustments .....							110		110	
<b>Total adjustments .....</b>	<b>1,147</b>	<b>-3,184</b>			<b>-1,123</b>	<b>-2,922</b>	<b>2,874</b>	<b>1,022</b>	<b>2,898</b>	<b>-5,084</b>

published estimates now largely conform to the international standards, but some differences with the international standards—and between the U.S. and Canadian estimates—persist in the published estimates because of data limitations, difficulties in determining country attribution, and differences in classification.

The definitional adjustments mainly reflect data limitations and differences in country attribution. For example, as part of the reconciliation, U.S.-published estimates of imports of goods from Canada are adjusted to include Canadian reexports to the United States (goods imported by Canada from third countries and then reexported to the United States without substantial change) because U.S. imports of goods are recorded on a country-of-origin basis. Another example of a definitional adjustment is that the Canadian estimates, mainly investment income, are adjusted to a basis that is net of withholding taxes because the U.S. withholding tax estimates—which are included on a global basis in the U.S.-published accounts—cannot be allocated by country for

comparison with the Canadian estimates.

The methodological adjustments mainly reflect differences in classification. For example, parts of the U.S. estimates of film rentals and courier services are recorded in various services accounts; for reconciliation, they are reclassified to a single account. A few U.S. and Canadian accounts, mainly interest income, are adjusted to a net or gross basis for comparability.

Statistical differences reflect the use of different source data in the United States and Canada; the difficulty in determining country attribution because of insufficient data; the preliminary nature of some of the data, particularly for the most recent year; and the use of sample data between benchmarks. For the northbound estimates, most of the statistical differences are in the U.S. and Canadian estimates of “other” private services and of “other” investment income. For the southbound estimates, most of the statistical differences are in the U.S. and Canadian estimates of “other” private services and of direct investment income.

Tables 2.2–7 follow.

**Table 2.1.—Summary of Reconciliation Adjustments, Northbound, 2000**

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	United States	Canada	Reclassification		Gross or net		United States	Canada	United States	Canada
			United States	Canada	United States	Canada				
Goods, balance of payments basis.....	116	-237	226					-662	342	-899
Valuation adjustments.....	116	-237							116	-237
Reclassification of equipment repairs from unaffiliated services.....			226						226	
Statistical adjustments.....								-662		-662
Services.....	141	-345	-226	-69			516	-225	431	-639
Travel.....			703				-132	15	571	15
Reclassification of education from unaffiliated services.....			505						505	
Reclassification of medical services from unaffiliated services.....			198						198	
Statistical adjustments.....							-132	15	-132	15
Passenger fares.....										
Statistical adjustments.....							-286		-286	
Other transportation.....		-206		179			-151	48	-151	21
Valuation adjustments.....		-206								-206
Reclassification of transportation services from unaffiliated services.....				179						179
Statistical adjustments.....							-151	48	-151	48
Other services.....	141	-139	-929	-248			1,085	-288	297	-675
Affiliated.....		-60	-304				208	-2,088	-96	-2,148
Valuation adjustments.....		-60								-60
Reclassification of film rentals to unaffiliated services.....			-217						-217	
Reclassification of courier services to unaffiliated services.....			-87						-87	
Statistical adjustments.....							208	-2,088	208	-2,088
Unaffiliated.....	141	-79	-625	-248			877	1,657	393	1,330
Valuation adjustments.....	141	-79							141	-79
Reclassification of transactions to or from other accounts.....			-625	-248					-625	-248
Statistical adjustments.....							877	1,657	877	1,657
U.S. military sales.....								143		143
Statistical adjustments.....								143		143
Income.....	933	-4,565		69	-1,723	-3,421	75	3,841	-715	-4,076
Direct investment.....		-2,320		-28		-187	-1,122	3,514	-1,122	979
Valuation adjustments.....		-2,320								-2,320
Reclassification of dividends to “other” income.....				-28						-28
Adjustment of interest income to a net basis.....						-187				-187
Statistical adjustments.....							-1,122	3,514	-1,122	3,514
Other investment.....	933	-2,245		28	-1,723	-3,234	1,197	318	407	-5,133
Valuation adjustments.....	933	-2,245							933	-2,245
Reclassification of dividends from direct investment.....				28						28
Adjustment of interest income to a gross or net basis.....					-1,723	-3,234			-1,723	-3,234
Statistical adjustments.....							1,197	318	1,197	318
Compensation of employees.....				69				9		78
Current unilateral transfers.....		-303				180		114	294	-303
Valuation adjustments.....		-303								-303
Adjustment of U.S. transfers to a gross basis.....						180			180	
Statistical adjustments.....							114		114	
<b>Total adjustments.....</b>	<b>1,190</b>	<b>-5,450</b>			<b>-1,543</b>	<b>-3,421</b>	<b>705</b>	<b>2,954</b>	<b>352</b>	<b>-5,917</b>

**Table 2.2.—Summary of Reconciliation Adjustments, Southbound, 1999**

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	Canada	United States	Reclassification		Gross or net		Canada	United States	Canada	United States
			Canada	United States	Canada	United States				
Goods, balance of payments basis .....	-395	6,149		(*)			124	391	-271	6,540
Valuation adjustments .....	-1,368	281							-1,368	281
Canadian re-exports to the United States .....		4,895								4,895
Inland freight adjustment .....	973	973							973	973
Reclassification of equipment repairs from "other" services .....				(*)						
Statistical adjustments .....							124	391	124	391
Services .....	-214	-11	-171				-1,027	2,382	-1,412	2,370
Travel .....				13			-35	45	-35	58
Reclassification of education from "other" services .....				13						13
Statistical adjustments .....							-35	45	-35	45
Passenger fares .....										
Other transportation .....	-87	-85	102	-198			22	-28	37	-311
Valuation adjustments .....	-87	-85							-87	-85
Reclassification of courier services to "other" services .....				-198						-198
Reclassification of transportation services from "other" services .....			102						102	
Statistical adjustments .....							22	-28	22	-28
Other services .....	-127	74	-273	185			-1,014	2,365	-1,414	2,624
Affiliated .....	-33			-26			-1,423	479	-1,456	453
Valuation adjustments .....	-33								-33	
Reclassification of courier services to unaffiliated services .....				-26						-26
Statistical adjustments .....							-1,423	479	-1,423	479
Unaffiliated .....	-94	94	-325	211			409	1,886	-10	2,191
Valuation adjustments .....	-94	94							-94	94
Reclassification of transactions to or from the goods and the other services accounts .....			-325	211					-325	211
Statistical adjustments .....							409	1,886	409	1,886
U.S. defense expenditures .....		-20	52						52	-20
Valuation adjustments .....		-20								-20
Reclassification of defense expenditures from unaffiliated services .....			52						52	
Income .....	-790	-100	171		-2,922	-1,293	-1,147	-370	-4,688	-1,764
Direct investment .....	-664				-121		-1,938	-10	-2,723	-10
Valuation adjustments .....	-664								-664	
Adjustment of interest income to a net basis .....					-121				-121	
Statistical adjustments .....							-1,938	-10	-1,938	-10
Other investment .....	-149	-100			-2,801	-1,293	736	-360	-2,214	-1,754
Valuation adjustments .....	-149	-100							-149	-100
Adjustment of interest income to a gross or net basis .....					-2,801	-1,293			-2,801	-1,293
Statistical adjustments .....							736	-360	736	-360
Compensation of employees .....	23		171				55		249	
Current unilateral transfers .....	-1,657					170	-14		-1,671	170
Valuation adjustments .....	-1,657								-1,657	
Adjustment of U.S. transfers to a gross basis .....						170				170
Statistical adjustments .....							-14		-14	
<b>Total adjustments .....</b>	<b>-3,056</b>	<b>6,038</b>			<b>-2,922</b>	<b>-1,123</b>	<b>-2,064</b>	<b>2,402</b>	<b>-8,042</b>	<b>7,316</b>

(\*) Less than (±) \$500,000.

**Table 2.2.—Summary of Reconciliation Adjustments, Southbound, 2000**

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	Canada	United States	Reclassification		Gross or net		Canada	United States	Canada	United States
			Canada	United States	Canada	United States				
Goods, balance of payments basis .....	107	8,352		3			245	408	352	8,763
Valuation adjustments .....	-1,673	249							-1,673	249
Canadian re-exports to the United States .....		6,323								6,323
Inland freight adjustment .....	1,780	1,780							1,780	1,780
Reclassification of equipment repairs from unaffiliated services .....				3						3
Statistical adjustments .....							245	408	245	408
Services .....	-104	-27	-204	-3			-886	2,317	-1,194	2,287
Travel .....				14			-41	54	-41	68
Reclassification of education from unaffiliated services .....				14						14
Statistical adjustments .....							-41	54	-41	54
Passenger fares .....										
Other transportation .....	-87	-102	105	-207			41	-45	59	-354
Valuation adjustments .....	-87	-102							-87	-102
Reclassification of courier services to unaffiliated services .....				-207						-207
Reclassification of transportation services from unaffiliated services .....			105						105	
Statistical adjustments .....							41	-45	41	-45
Other services .....	-17	75	-309	190			-886	2,308	-1,212	2,573
Affiliated .....	-2			-29			-1,203	275	-1,205	246
Valuation adjustments .....	-2								-2	
Reclassification of courier services to unaffiliated services .....				-29						-29
Statistical adjustments .....							-1,203	275	-1,203	275
Unaffiliated .....	-15	93	-361	219			317	2,033	-59	2,345
Valuation adjustments .....	-15	93							-15	93
Reclassification of transactions to or from other accounts .....			-361	219					-361	219
Statistical adjustments .....							317	2,033	317	2,033
U.S. defense expenditures .....		-18	52						52	-18
Valuation adjustments .....		-18								-18
Reclassification of defense expenditures from unaffiliated services .....			52						52	
Income .....	-926	-299	204		-3,421	-1,723	-2,108	34	-6,251	-1,988
Direct investment .....	-732				-187		-3,228	652	-4,147	652
Valuation adjustments .....	-732								-732	
Adjustment of interest income to a net basis .....					-187				-187	
Statistical adjustments .....							-3,228	652	-3,228	652
Other investment .....	-194	-299			-3,234	-1,723	1,068	-618	-2,360	-2,640
Valuation adjustments .....	-194	-299							-194	-299
Adjustment of interest income to a gross or net basis .....					-3,234	-1,723			-3,234	-1,723
Statistical adjustments .....							1,068	-618	1,068	-618
Compensation of employees .....			204				52		256	
Current unilateral transfers .....	-1,861					180	-20		-1,881	180
Valuation adjustments .....	-1,861								-1,861	
Adjustment of U.S. transfers to a gross basis .....						180				180
Statistical adjustments .....							-20		-20	
<b>Total adjustments .....</b>	<b>-2,784</b>	<b>8,026</b>			<b>-3,421</b>	<b>-1,543</b>	<b>-2,769</b>	<b>2,759</b>	<b>-8,974</b>	<b>9,242</b>

**Table 3.1.—U.S.-Canadian Current-Account Reconciliation, Northbound**

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates	
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	U.S. receipts	Canadian payments	United States	Canada
<b>1999</b>										
Goods and services .....	188,144	190,827	-2,683	188,357	190,234	-1,877	189,099	189,099	955	-1,728
Goods, balance of payments basis .....	166,727	167,809	-1,082	167,051	167,628	-577	167,051	167,051	324	-758
Services .....	21,417	23,018	-1,601	21,306	22,606	-1,300	22,048	22,048	631	-970
Travel .....	6,670	7,211	-541	7,323	7,211	112	7,228	7,228	558	17
Passenger fares .....	1,540	1,325	215	1,540	1,325	215	1,325	1,325	-215	.....
Other transportation .....	2,484	2,326	158	2,484	2,374	110	2,332	2,332	-152	6
Other services .....	10,614	12,156	-1,542	9,850	11,696	-1,846	11,054	11,054	440	-1,102
U.S. military sales .....	109	( <sup>1</sup> )	109	109	( <sup>1</sup> )	109	109	109	.....	109
Income .....	23,115	27,881	-4,766	22,757	22,620	137	24,778	24,778	1,663	-3,103
Investment income .....	23,039	27,881	-4,842	22,681	22,554	127	24,702	24,702	1,663	-3,179
Direct investment .....	11,986	10,609	1,377	11,986	10,045	1,941	12,146	12,146	160	1,537
Other investment .....	11,053	17,272	-6,219	10,696	12,509	-1,814	12,556	12,556	1,503	-4,716
Compensation of employees .....	76	( <sup>2</sup> )	76	76	66	10	76	76	.....	76
Current unilateral transfers .....	( <sup>3</sup> )	533	-533	170	280	-110	280	280	280	-253
<b>Current account, northbound .....</b>	<b>211,259</b>	<b>219,240</b>	<b>-7,982</b>	<b>211,284</b>	<b>213,134</b>	<b>-1,850</b>	<b>214,156</b>	<b>214,156</b>	<b>2,898</b>	<b>-5,084</b>
<b>2000</b>										
Goods and services .....	202,409	204,720	-2,311	202,663	204,069	-1,406	203,182	203,182	773	-1,538
Goods, balance of payments basis .....	178,987	180,228	-1,241	179,329	179,991	-662	179,329	179,329	342	-899
Services .....	23,422	24,492	-1,070	23,334	24,078	-744	23,853	23,853	431	-639
Travel .....	7,055	7,611	-556	7,758	7,611	147	7,626	7,626	571	15
Passenger fares .....	1,713	1,427	286	1,713	1,427	286	1,427	1,427	-286	.....
Other transportation .....	2,703	2,531	172	2,702	2,504	198	2,552	2,552	-151	21
Other services .....	11,808	12,923	-1,115	11,018	12,536	-1,518	12,105	12,105	297	-818
U.S. military sales .....	143	( <sup>1</sup> )	143	143	( <sup>1</sup> )	143	143	143	.....	143
Income .....	27,225	30,586	-3,361	26,437	22,669	3,768	26,510	26,510	-715	-4,076
Investment income .....	27,147	30,586	-3,439	26,359	22,600	3,759	26,432	26,432	-715	-4,154
Direct investment .....	14,518	12,417	2,101	14,518	9,882	4,636	13,396	13,396	-1,122	979
Other investment .....	12,629	18,169	-5,540	11,841	12,718	-877	13,036	13,036	407	-5,133
Compensation of employees .....	78	( <sup>2</sup> )	78	78	69	9	78	78	.....	78
Current unilateral transfers .....	( <sup>3</sup> )	597	-597	180	294	-114	294	294	294	-303
<b>Current account, northbound .....</b>	<b>229,634</b>	<b>235,903</b>	<b>-6,269</b>	<b>229,280</b>	<b>227,033</b>	<b>2,247</b>	<b>229,986</b>	<b>229,986</b>	<b>352</b>	<b>-5,917</b>

1. In the Canadian published accounts, transactions of US military agencies are not shown separately.

2. In the Canadian published accounts, compensation of employees is included in "other" services.

3. Current unilateral transfers are published on a net basis in the U.S. accounts, and appear as net payments in table 3.2.

**Table 3.2.—U.S.-Canadian Current-Account Reconciliation, Southbound**

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates	
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canadian receipts	U.S. payments	Canada	United States
<b>1999</b>										
Goods and services .....	227,652	217,059	10,593	226,874	223,195	3,679	225,969	225,969	-1,683	8,910
Goods .....	208,099	201,288	6,811	207,705	207,437	268	207,828	207,828	-271	6,540
Services .....	19,553	15,771	3,782	19,169	15,758	3,411	18,141	18,141	-1,412	2,370
Travel .....	6,228	6,135	93	6,228	6,148	80	6,193	6,193	-35	58
Passenger fares .....	712	712	.....	712	712	.....	712	712	.....	.....
Other transportation .....	2,878	3,226	-348	2,893	2,943	-50	2,915	2,915	37	-311
Other services .....	9,735	5,626	4,109	9,284	5,903	3,381	8,269	8,269	-1,466	2,643
U.S. defense expenditures .....	( <sup>1</sup> )	72	-72	52	52	.....	52	52	52	-20
Income .....	11,157	8,233	2,924	7,617	6,841	776	6,469	6,469	-4,688	-1,764
Investment income .....	11,157	7,984	3,173	7,423	6,592	831	6,220	6,220	-4,937	-1,764
Direct investment .....	4,712	1,999	2,713	3,927	1,999	1,928	1,989	1,989	-2,723	-10
Other investment .....	6,445	5,985	460	3,496	4,593	-1,097	4,231	4,231	-2,214	-1,754
Other private investment .....	5,525	4,841	684	2,536	3,549	-1,013	3,229	3,229	-2,296	-1,612
U.S. Government liabilities .....	920	1,144	-224	960	1,044	-84	1,002	1,002	82	-142
Compensation of employees .....	( <sup>2</sup> )	249	-249	194	249	-55	249	249	249	.....
Current unilateral transfers .....	2,479	638	1,841	822	808	14	808	808	-1,671	170
<b>Current account, southbound .....</b>	<b>241,289</b>	<b>225,930</b>	<b>15,358</b>	<b>235,312</b>	<b>230,844</b>	<b>4,469</b>	<b>233,246</b>	<b>233,246</b>	<b>-8,042</b>	<b>7,316</b>
<b>2000</b>										
Goods and services .....	262,160	250,268	11,892	261,959	258,596	3,363	261,318	261,318	-842	11,050
Goods .....	242,089	233,678	8,411	242,196	242,033	163	242,441	242,441	352	8,763
Services .....	20,071	16,590	3,481	19,763	16,563	3,200	18,877	18,877	-1,194	2,287
Travel .....	6,476	6,367	109	6,476	6,381	95	6,435	6,435	-41	68
Passenger fares .....	827	827	.....	827	827	.....	827	827	.....	.....
Other transportation .....	3,165	3,578	-413	3,183	3,269	-86	3,224	3,224	59	-354
Other services .....	9,603	5,748	3,855	9,225	6,034	3,191	8,339	8,339	-1,264	2,591
U.S. defense expenditures .....	( <sup>1</sup> )	70	-70	52	52	.....	52	52	52	-18
Income .....	13,607	9,344	4,263	9,466	7,322	2,144	7,356	7,356	-6,251	-1,988
Investment income .....	13,607	9,088	4,519	9,261	7,066	2,195	7,100	7,100	-6,507	-1,988
Direct investment .....	5,710	911	4,799	4,791	911	3,880	1,563	1,563	-4,147	652
Other investment .....	7,897	8,177	-280	4,470	6,155	-1,685	5,537	5,537	-2,360	-2,640
Other private investment .....	6,727	6,214	513	3,192	4,491	-1,299	3,970	3,970	-2,757	-2,244
U.S. Government liabilities .....	1,170	1,963	-793	1,278	1,664	-386	1,567	1,567	397	-396
Compensation of employees .....	( <sup>2</sup> )	256	-256	205	256	-51	256	256	256	.....
Current unilateral transfers .....	2,785	724	2,061	924	904	20	904	904	-1,881	180
<b>Current account, southbound .....</b>	<b>278,553</b>	<b>260,336</b>	<b>18,216</b>	<b>272,349</b>	<b>266,822</b>	<b>5,527</b>	<b>269,578</b>	<b>269,578</b>	<b>-8,974</b>	<b>9,242</b>

1. In the Canadian published accounts, transactions of U.S. military agencies are not shown separately.

2. In the Canadian published accounts, compensation of employees is included in "other" services.



**Table 4.1.—Trade in Goods, Northbound**

[Millions of U.S. dollars]

	U.S. receipts	Canadian payments	Type of adjustment
<b>1999</b>			
<b>Balance of payments basis, published.....</b>	<b>166,727</b>	<b>167,809</b>	
Definitional and methodological adjustments:			
Valuation adjustments.....	92	-181	Definitional
Reclassification of equipment from unaffiliated services .....	232	.....	Reclassification
Common basis, after definitional and methodological adjustments .....	167,051	167,628	
Statistical adjustments .....	.....	-577	Statistical
<b>Reconciled, including statistical adjustments ....</b>	<b>167,051</b>	<b>167,051</b>	
<b>2000</b>			
<b>Balance of payments basis, published.....</b>	<b>178,897</b>	<b>180,228</b>	
Definitional and methodological adjustments:			
Valuation adjustments.....	116	-237	Definitional
Reclassification of equipment from unaffiliated services .....	226	.....	Reclassification
Common basis, after definitional and methodological adjustments .....	179,239	179,991	
Statistical adjustments .....	.....	-662	Statistical
<b>Reconciled, including statistical adjustments ....</b>	<b>179,239</b>	<b>179,329</b>	

**Table 4.2.—Trade in Goods, Southbound**

[Millions of U.S. dollars]

	Canadian receipts	U.S. payments	Type of adjustment
<b>1999</b>			
<b>Balance of payments basis, published.....</b>	<b>208,099</b>	<b>201,288</b>	
Definitional and methodological adjustments:			
Valuation adjustments.....	-1,368	281	Definitional
Canadian reexports to the United States .....	.....	4,895	Definitional
Inland freight adjustment .....	973	973	Definitional
Reclassification of equipment from unaffiliated services .....	.....	(*)	Reclassification
Common basis, after definitional and methodological adjustments .....	207,705	207,437	
Statistical adjustments .....	124	391	Statistical
<b>Reconciled, including statistical adjustments ....</b>	<b>207,828</b>	<b>207,828</b>	
<b>2000</b>			
<b>Balance of payments basis, published.....</b>	<b>242,089</b>	<b>233,678</b>	
Definitional and methodological adjustments:			
Valuation adjustments.....	-1,674	249	Definitional
Canadian reexports to the United States .....	.....	6,323	Definitional
Inland freight adjustment .....	1,780	1,780	Definitional
Reclassification of equipment from unaffiliated services .....	.....	3	Reclassification
Common basis, after definitional and methodological adjustments .....	242,196	242,033	
Statistical adjustments .....	246	408	Statistical
<b>Reconciled, including statistical adjustments ....</b>	<b>242,441</b>	<b>242,441</b>	

(\*) Less than (±) \$500,000.

**Table 5.1.—Travel, Passenger Fares, and Other Transportation, Northbound**

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	U.S. receipts	Canadian payments	United States	Canada	Type of adjustment
<b>1999</b>											
<b>Travel</b> .....	<b>6,670</b>	<b>7,211</b>	<b>-541</b>	<b>7,323</b>	<b>7,211</b>	<b>112</b>	<b>7,228</b>	<b>7,228</b>	<b>558</b>	<b>17</b>	
Business and personal .....	6,670	6,575	95	6,670	6,575	95	6,575	6,575	-95	.....	Statistical
Education .....	.....	457	-457	474	457	17	474	474	474	17	Reclassification and statistical
Medical.....	.....	179	-179	179	179	.....	179	179	179	.....	Reclassification
<b>Passenger fares</b> .....	<b>1,540</b>	<b>1,325</b>	<b>215</b>	<b>1,540</b>	<b>1,325</b>	<b>215</b>	<b>1,325</b>	<b>1,325</b>	<b>-215</b>	<b>.....</b>	Statistical
<b>Other transportation</b> .....	<b>2,484</b>	<b>2,326</b>	<b>158</b>	<b>2,484</b>	<b>2,374</b>	<b>110</b>	<b>2,332</b>	<b>2,332</b>	<b>-152</b>	<b>6</b>	
Freight.....	1,977	1,979	-2	1,811	1,858	-47	1,821	1,821	-156	-158	
Ocean.....	65	237	-172	51	116	-65	78	78	13	-159	Definitional, reclassification, and statistical
Air .....	76	43	33	76	43	33	43	43	-33	.....	Statistical
Truck.....	1,302	1,304	-2	1,302	1,304	-2	1,302	1,302	.....	-2	Statistical
Other.....	534	395	139	382	395	-13	398	398	-136	3	Reclassification and statistical
Port services.....	507	322	185	659	492	167	487	487	-20	165	
Vessel operators.....	64	22	42	64	21	43	21	21	-43	-1	Definitional and statistical
Airline operators.....	276	281	-5	276	281	-5	276	276	.....	-5	Statistical
Other.....	167	19	148	319	190	129	190	190	23	171	Reclassification and statistical
Other.....	.....	23	-23	14	23	-9	23	23	23	.....	Reclassification and statistical
<b>2000</b>											
<b>Travel</b> .....	<b>7,055</b>	<b>7,611</b>	<b>-556</b>	<b>7,758</b>	<b>7,611</b>	<b>147</b>	<b>7,626</b>	<b>7,626</b>	<b>571</b>	<b>15</b>	
Business and personal .....	7,055	6,923	132	7,055	6,923	132	6,923	6,923	-132	.....	Statistical
Education .....	.....	490	-490	505	490	15	505	505	505	15	Reclassification and statistical
Medical.....	.....	198	-198	198	198	.....	198	198	198	.....	Reclassification
<b>Passenger fares</b> .....	<b>1,713</b>	<b>1,427</b>	<b>286</b>	<b>1,713</b>	<b>1,427</b>	<b>286</b>	<b>1,427</b>	<b>1,427</b>	<b>-286</b>	<b>.....</b>	Statistical
<b>Other transportation</b> .....	<b>2,703</b>	<b>2,531</b>	<b>172</b>	<b>2,702</b>	<b>2,504</b>	<b>198</b>	<b>2,552</b>	<b>2,552</b>	<b>-151</b>	<b>21</b>	
Freight.....	2,167	2,139	28	1,998	1,927	71	1,961	1,961	-206	-178	
Ocean.....	138	291	-153	130	82	48	107	107	-31	-184	Definitional, reclassification, and statistical
Air .....	86	54	32	86	54	32	54	54	-32	.....	Statistical
Truck.....	1,404	1,404	.....	1,404	1,404	.....	1,404	1,404	.....	.....	
Other.....	539	390	149	378	387	-9	396	396	-143	6	Reclassification and statistical
Port services.....	536	346	190	696	524	172	539	539	3	193	
Vessel operators.....	49	26	23	49	25	24	25	25	-24	.....	Definitional and statistical
Airline operators.....	319	301	18	319	301	18	319	319	.....	18	Statistical
Other.....	168	19	149	328	198	130	195	195	27	176	Reclassification and statistical
Other.....	.....	46	-46	8	52	-44	52	52	52	6	Reclassification and statistical

**Table 5.2.—Travel, Passenger Fares, and Other Transportation, Southbound**

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
<b>1999</b>											
<b>Travel</b> .....	<b>6,228</b>	<b>6,135</b>	<b>93</b>	<b>6,228</b>	<b>6,148</b>	<b>80</b>	<b>6,193</b>	<b>6,193</b>	<b>-35</b>	<b>58</b>	
Business and personal .....	6,097	6,135	-38	6,097	6,135	-38	6,097	6,097	.....	-38	Statistical
Education .....	84	.....	84	84	13	71	48	48	-35	48	Reclassification and statistical
Medical.....	48	.....	48	48	.....	48	48	48	.....	48	Statistical
<b>Passenger fares</b> .....	<b>712</b>	<b>712</b>	.....	<b>712</b>	<b>712</b>	.....	<b>712</b>	<b>712</b>	.....	.....	
<b>Other transportation</b> .....	<b>2,878</b>	<b>3,226</b>	<b>-348</b>	<b>2,893</b>	<b>2,943</b>	<b>-50</b>	<b>2,915</b>	<b>2,915</b>	<b>37</b>	<b>-311</b>	
Freight.....	2,387	2,512	-125	2,387	2,382	5	2,380	2,380	-7	-132	Reclassification and statistical
Ocean.....	110	103	7	110	101	9	106	106	-4	3	
Air .....	62	62	.....	62	62	.....	62	62	.....	.....	
Land .....	2,115	2,112	3	2,115	2,112	3	2,112	2,112	-3	.....	Statistical
Other .....	100	235	-135	100	107	-7	100	.....	.....	-135	Reclassification and statistical
Port services .....	394	714	-320	500	559	-59	530	530	136	-184	Definitional and statistical
Vessel operators.....	51	170	-119	55	85	-30	70	70	19	-100	
Airline operators.....	248	446	-198	248	248	.....	248	248	0	-198	Reclassification and statistical
Other .....	95	98	-3	197	226	-29	212	212	117	114	Reclassification and statistical
Other .....	97	.....	97	6	2	4	6	6	-91	6	Definitional, reclassification, and statistical
<b>2000</b>											
<b>Travel</b> .....	<b>6,476</b>	<b>6,367</b>	<b>109</b>	<b>6,476</b>	<b>6,381</b>	<b>95</b>	<b>6,435</b>	<b>6,435</b>	<b>-41</b>	<b>68</b>	
Business and personal .....	6,332	6,367	-35	6,332	6,367	-35	6,332	6,332	.....	-35	Statistical
Education .....	96	.....	96	96	14	82	55	55	-41	55	Reclassification and statistical
Medical.....	47	.....	47	47	.....	47	47	47	.....	47	Statistical
<b>Passenger fares</b> .....	<b>827</b>	<b>827</b>	.....	<b>827</b>	<b>827</b>	.....	<b>827</b>	<b>827</b>	.....	.....	
<b>Other transportation</b> .....	<b>3,165</b>	<b>3,578</b>	<b>-413</b>	<b>3,183</b>	<b>3,269</b>	<b>-86</b>	<b>3,224</b>	<b>3,224</b>	<b>59</b>	<b>-354</b>	
Freight.....	2,622	2,763	-141	2,622	2,623	-1	2,620	2,620	-2	-143	Reclassification and statistical
Ocean.....	128	132	-4	128	124	4	126	126	-2	-6	
Air .....	57	57	.....	57	57	.....	57	57	.....	.....	
Land .....	2,335	2,335	.....	2,335	2,335	.....	2,335	2,335	.....	.....	
Other .....	102	239	-137	102	107	-5	102	102	.....	-137	Reclassification and statistical
Port services .....	439	815	-376	552	638	-86	595	595	156	-220	Definitional and statistical
Vessel operators.....	50	205	-155	50	103	-53	75	75	25	-130	
Airline operators.....	290	505	-215	298	298	.....	298	298	8	-207	Reclassification and statistical
Other .....	99	105	-6	204	237	-33	222	222	123	117	Reclassification and statistical
Other .....	104	.....	104	8	8	.....	8	8	-96	8	Definitional, reclassification, and statistical

**Table 6.1.—Other Services, Northbound**

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	U.S. receipts	Canadian payments	United States	Canada	Type of adjustment
<b>1999</b>											
<b>Total .....</b>	<b>10,723</b>	<b>12,156</b>	<b>-1,433</b>	<b>9,959</b>	<b>11,696</b>	<b>-1,737</b>	<b>11,163</b>	<b>11,163</b>	<b>440</b>	<b>-993</b>	
Affiliated .....	5,262	7,351	-2,089	5,030	7,198	-2,168	5,289	5,289	27	-2,062	Definitional, reclassification, and statistical
Royalties and license fees .....	1,300	1,697	-397	1,298	1,641	-343	1,427	1,427	127	-270	Definitional and statistical
Other services .....	3,962	5,654	-1,692	3,732	5,557	-1,825	3,862	3,862	-100	-1,792	Definitional, reclassification, and statistical
Unaffiliated .....	5,352	4,806	546	4,818	4,498	320	5,766	5,766	414	960	
Royalties, license fees, and selected services .....	1,255	1,022	233	1,242	1,016	226	1,243	1,243	-12	221	Reclassification and statistical
Insurance .....	207	190	17	328	190	138	332	332	125	142	Definitional and statistical
Financial services .....	1,030	659	371	1,030	710	320	1,074	1,074	44	415	Statistical
Education and training .....	488	21	467	14	21	-7	21	21	-467		Reclassification and statistical
Communications .....	243	514	-271	243	189	54	243	243		-271	Reclassification and statistical
Computer services .....	536	278	258	536	278	258	536	536		258	Statistical
Business services .....	1,142	721	421	803	990	-187	1,307	1,307	165	586	Reclassification and statistical
Sports and entertainment .....	270	1,004	-734	441	909	-468	806	806	536	-198	Reclassification and statistical
Other private .....		202	-202							-202	Definitional and reclassification
Government:											
United States (nonmilitary) .....	91	82	9	91	82	9	91	91		9	Statistical
Canada .....	90	113	-23	90	113	-23	113	113	23		Statistical
U.S. military sales .....	109		109	109		109	109	109		109	Statistical
<b>2000</b>											
<b>Total .....</b>	<b>11,951</b>	<b>12,923</b>	<b>-972</b>	<b>11,161</b>	<b>12,536</b>	<b>1,375</b>	<b>12,248</b>	<b>12,248</b>	<b>297</b>	<b>-675</b>	
Affiliated .....	5,643	7,695	-2,052	5,339	7,636	-2,297	5,547	5,547	-96	-2,148	Definitional, reclassification, and statistical
Royalties and license fees .....	1,543	1,869	-326	1,543	1,810	-267	1,634	1,634	91	-235	Definitional and statistical
Other services .....	4,100	5,826	-1,726	3,796	5,826	-2,030	3,913	3,913	-187	-1,913	Definitional, reclassification, and statistical
Unaffiliated .....	6,165	5,228	937	5,678	4,900	778	6,558	6,558	393	1,330	
Royalties, license fees, and selected services .....	1,503	1,092	411	1,490	1,086	404	1,490	1,490	-13	398	Reclassification and statistical
Insurance .....	338	224	114	466	224	242	430	430	92	206	Definitional and statistical
Financial services .....	1,101	873	228	1,101	926	175	1,151	1,151	50	278	Statistical
Education and training .....	520	22	498	15	22	-7	22	22	-498		Reclassification and statistical
Communications .....	352	543	-191	352	187	165	352	352		-191	Reclassification and statistical
Computer services .....	538	286	252	538	286	252	538	538		252	Statistical
Business services .....	1,226	754	472	899	1,052	-153	1,452	1,452	226	698	Reclassification and statistical
Sports and entertainment .....	425	1,040	-615	655	946	-291	940	940	515	-100	Reclassification and statistical
Other .....		223	-223							-223	Definitional and reclassification
Government:											
United States (nonmilitary) .....	74	62	12	74	62	12	74	74		12	Statistical
Canada .....	88	109	-21	88	109	-21	109	109	21		Statistical
U.S. military sales .....	143		143	143		143	143	143		143	Statistical

**Table 6.2.—Other Services, Southbound**  
[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
<b>1999</b>											
<b>Total .....</b>	<b>9,735</b>	<b>5,698</b>	<b>4,037</b>	<b>9,336</b>	<b>5,955</b>	<b>3,381</b>	<b>8,321</b>	<b>8,321</b>	<b>-1,414</b>	<b>2,623</b>	
Affiliated .....	4,509	2,600	1,909	4,475	2,574	1,901	3,053	3,053	-1,456	453	Definitional, reclassification, and statistical
Royalties and license fees .....	415	350	65	412	350	62	(1)	(1)	(1)	(1)	
Other services .....	4,094	2,250	1,844	4,063	2,224	1,839	(1)	(1)	(1)	(1)	
Unaffiliated .....	5,228	3,026	2,202	4,809	3,330	1,479	5,216	5,216	-12	2,190	
Royalties, license fees, and selected services .....	1,596	623	973	1,583	615	968	1,714	1,714	118	1,091	Statistical
Insurance .....	180	292	-112	180	386	-206	220	220	40	-72	Definitional and statistical
Financial services .....	323	193	130	324	193	131	293	293	-30	100	Statistical
Education and training .....	16	20	-4	16	7	9	16	16		-4	Reclassification and statistical
Communications .....	432	223	209	139	223	-84	223	223	-209		Reclassification and statistical
Computer services .....	530	506	24	530	506	24	530	530		24	Statistical
Business services .....	905	806	99	1,049	781	268	1,182	1,182	277	376	Reclassification and statistical
Sports and entertainment .....	763	128	635	721	384	337	771	771	8	643	Reclassification and statistical
Other private .....	216		216						-216		Definitional and reclassification
Government:											
Canada .....	32		32	32		32	32	32		32	Statistical
United States (nondefense agencies) .....	235	235		235	235		235	235			
U.S. defense agencies .....		72	-72	52	52		52	52	52	-20	Definitional and reclassification
<b>2000</b>											
<b>Total .....</b>	<b>9,603</b>	<b>5,818</b>	<b>3,785</b>	<b>9,277</b>	<b>6,086</b>	<b>3,191</b>	<b>8,391</b>	<b>8,391</b>	<b>-1,211</b>	<b>2,573</b>	
Affiliated .....	4,359	2,907	1,452	4,356	2,877	1,479	3,153	3,153	-1,206	246	Definitional, reclassification, and statistical
Royalties and license fees .....	383	742	-359	380	741	-361	(1)	(1)	(1)	(1)	
Other services .....	3,976	2,165	1,811	3,976	2,136	1,840	(1)	(1)	(1)	(1)	
Unaffiliated .....	5,243	2,841	2,402	4,869	3,157	1,712	5,186	5,186	-57	2,345	
Royalties, license fees, and selected services .....	1,525	649	876	1,512	634	878	1,605	1,605	80	956	Statistical
Insurance .....	163	216	-53	263	312	-49	256	256	93	40	Definitional and statistical
Financial services .....	410	227	183	411	227	184	380	380	-30	153	Statistical
Education and training .....	40	24	16	16	10	6	16	16	-24	-8	Reclassification and statistical
Communications .....	395	222	173	73	222	-149	222	222	-173		Reclassification and statistical
Computer services .....	535	547	-12	535	547	-12	535	535		-12	Statistical
Business services .....	929	678	251	1,093	789	304	1,266	1,266	337	588	Reclassification and statistical
Sports and entertainment .....	769	72	697	724	210	514	664	664	-105	592	Reclassification and statistical
Other .....	235		235						-235		Definitional and reclassification
Government:											
Canada .....	36		36	36		36	36	36		36	Statistical
United States (non-defense agencies) .....	206	206		206	206		206	206			
U.S. defense agencies .....		70	-70	52	52		52	52	52	-18	Definitional and reclassification

1. Royalties and license fees are combined with "other" services for reconciliation.

**Table 7.1.—Investment Income, Northbound**

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	U.S. receipts	Canadian payments	United States	Canada	Type of adjustment
<b>1999</b>											
<b>Investment income .....</b>	<b>23,039</b>	<b>27,881</b>	<b>-4,842</b>	<b>22,681</b>	<b>22,554</b>	<b>127</b>	<b>24,702</b>	<b>24,702</b>	<b>1,663</b>	<b>-3,179</b>	
<b>Direct investment income .....</b>	<b>11,986</b>	<b>10,609</b>	<b>1,377</b>	<b>11,986</b>	<b>10,045</b>	<b>1,941</b>	<b>12,146</b>	<b>12,146</b>	<b>160</b>	<b>1,537</b>	
Earnings of incorporated affiliates .....	11,174	9,558	1,616	11,174	9,042	2,132	11,144	11,144	-30	1,586	
Dividends .....	4,720	5,184	-464	4,720	4,660	60	4,690	4,690	-30	-494	Definitional, reclassification, and statistical
Reinvested earnings .....	6,454	4,374	2,080	6,454	4,382	2,072	6,454	6,454		2,080	Definitional and statistical
Earnings of unincorporated affiliates .....	400	369	31	400	521	-121	555	555	155	186	Definitional and statistical
Interest .....	412	682	-270	412	482	-70	447	447	35	-235	Definitional, gross to net, and statistical
<b>Other investment income .....</b>	<b>11,053</b>	<b>17,272</b>	<b>-6,219</b>	<b>10,696</b>	<b>12,509</b>	<b>-1,814</b>	<b>12,556</b>	<b>12,556</b>	<b>1,503</b>	<b>-4,716</b>	
Securities .....	7,121	11,055	-3,934	8,054	9,941	-1,887	9,896	9,896	2,775	-1,159	Definitional, reclassification, and statistical
Dividends .....	896	1,106	-210	896	987	-91	942	942	46	-164	Definitional and statistical
Interest on bonds .....	6,225	9,949	-3,724	7,158	8,954	-1,796	8,954	8,954	2,729	-995	Definitional and statistical
U.S. claims/Canadian liabilities .....	3,932	6,218	-2,286	2,641	2,568	73	2,660	2,660	-1,272	-3,558	
U.S. bank claims .....	3,258	3,599	-341	1,055	798	257	926	926	-2,332	-2,673	Net to gross, gross to net, and statistical
Other private U.S. claims .....	674	2,619	-1,945	1,586	1,770	-184	1,734	1,734	1,060	-885	Net to gross and statistical
<b>2000</b>											
<b>Investment income .....</b>	<b>27,147</b>	<b>30,586</b>	<b>-3,439</b>	<b>26,359</b>	<b>22,600</b>	<b>3,759</b>	<b>26,432</b>	<b>26,432</b>	<b>-715</b>	<b>-4,154</b>	
<b>Direct investment income .....</b>	<b>14,518</b>	<b>12,417</b>	<b>2,101</b>	<b>14,518</b>	<b>9,882</b>	<b>4,636</b>	<b>13,396</b>	<b>13,396</b>	<b>-1,122</b>	<b>979</b>	
Earnings of incorporated affiliates .....	13,762	11,392	2,370	13,762	9,000	4,762	12,507	12,507	-1,255	1,115	
Dividends .....	2,971	5,178	-2,207	2,971	2,713	258	2,842	2,842	-129	-2,336	Definitional, reclassification, and statistical
Reinvested earnings .....	10,791	6,214	4,577	10,791	6,287	4,504	9,665	9,665	-1,126	3,451	Definitional and statistical
Earnings of unincorporated affiliates .....	327	354	-27	327	478	-151	480	480	153	126	Definitional and statistical
Interest .....	429	671	-242	429	405	24	410	410	-19	-261	Definitional, gross to net, and statistical
<b>Other investment income .....</b>	<b>12,629</b>	<b>18,169</b>	<b>-5,540</b>	<b>11,841</b>	<b>12,718</b>	<b>-877</b>	<b>13,036</b>	<b>13,036</b>	<b>407</b>	<b>-5,133</b>	
Securities .....	7,733	10,971	-3,238	8,667	9,868	-1,201	10,024	10,024	2,291	-947	Definitional, reclassification, and statistical
Dividends .....	1,512	995	517	1,513	890	623	1,046	1,046	-466	51	Definitional and statistical
Interest on bonds .....	6,221	9,976	-3,755	7,154	8,978	-1,824	8,978	8,978	2,757	-998	Definitional and statistical
U.S. claims/Canadian liabilities .....	4,896	7,200	-2,304	3,174	2,850	324	3,012	3,012	-1,884	-4,188	
U.S. bank claims .....	3,953	4,027	-74	1,221	793	428	1,007	1,007	-2,946	-3,020	Net to gross, gross to net, and statistical
Other private U.S. claims .....	943	3,173	-2,230	1,953	2,057	-104	2,005	2,005	1,062	-1,168	Net to gross and statistical

**Table 7.2—Investment Income, Southbound**  
[Millions of U.S. dollars]

	Published estimates			Common-basis estimates, after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
<b>1999</b>											
<b>Investment income .....</b>	<b>11,157</b>	<b>7,984</b>	<b>3,173</b>	<b>7,423</b>	<b>6,592</b>	<b>831</b>	<b>6,220</b>	<b>6,220</b>	<b>-4,937</b>	<b>-1,764</b>	
<b>Direct investment income .....</b>	<b>4,712</b>	<b>1,999</b>	<b>2,713</b>	<b>3,927</b>	<b>1,999</b>	<b>1,928</b>	<b>1,989</b>	<b>1,989</b>	<b>-2,723</b>	<b>-10</b>	
Earnings of incorporated affiliates .....	3,414	1,799	1,615	2,957	1,799	1,158	1,523	1,523	-1,891	-276	Definitional and statistical
Dividends .....	1,148	1,459	-311	825	1,459	-634	1,183	1,183	35	-276	Definitional and statistical
Reinvested earnings .....	2,266	340	1,926	2,132	340	1,792	340	340	-1,926	.....	Definitional and statistical
Earnings of unincorporated affiliates .....	1,192	-108	1,300	990	-108	1,098	158	158	-1,034	266	Definitional and statistical
Interest .....	107	308	-201	-20	308	-328	308	308	201	.....	Definitional, gross to net and statistical
<b>Other investment income .....</b>	<b>6,445</b>	<b>5,985</b>	<b>460</b>	<b>3,496</b>	<b>4,593</b>	<b>-1,097</b>	<b>4,231</b>	<b>4,231</b>	<b>-2,214</b>	<b>-1,754</b>	
Securities .....	1,702	2,810	-1,108	1,636	2,810	-1,174	2,330	2,330	628	-480	Definitional and statistical
Dividends .....	1,165	1,434	-269	1,099	1,434	-335	1,434	1,434	269	.....	Definitional and statistical
Interest on bonds .....	537	1,376	-839	537	1,376	-839	896	896	359	-480	Definitional and statistical
Canadian claims/U.S. liabilities.....	3,823	2,031	1,792	899	739	160	899	899	-2,924	-1,132	Net to gross, gross to net, and statistical
Canadian bank claims .....	3,387	1,599	1,788	471	675	-204	591	591	-2,796	-1,008	Net to gross and statistical
Other private Canadian claims .....	436	432	4	428	64	364	308	308	-128	-124	Definitional and statistical
U.S. Government liabilities .....	920	1,144	-224	960	1,044	-84	1,002	1,002	82	-142	Definitional and statistical
<b>2000</b>											
<b>Investment income .....</b>	<b>13,607</b>	<b>9,088</b>	<b>4,519</b>	<b>9,261</b>	<b>7,066</b>	<b>2,195</b>	<b>7,100</b>	<b>7,100</b>	<b>-6,507</b>	<b>-1,988</b>	
<b>Direct investment income .....</b>	<b>5,710</b>	<b>911</b>	<b>4,799</b>	<b>4,791</b>	<b>911</b>	<b>3,880</b>	<b>1,563</b>	<b>1,563</b>	<b>-4,147</b>	<b>652</b>	
Earnings of incorporated affiliates .....	4,340	347	3,993	3,959	347	3,612	975	975	-3,365	628	Definitional and statistical
Dividends .....	1,700	1,302	398	1,357	1,302	55	1,330	1,330	-370	28	Definitional and statistical
Reinvested earnings .....	2,640	-955	3,595	2,602	-955	3,557	-355	-355	-2,995	600	Definitional and statistical
Earnings of unincorporated affiliates .....	1,268	285	983	923	285	638	309	309	-959	24	Definitional and statistical
Interest .....	102	279	-177	-90	279	-369	279	279	177	.....	Definitional, gross to net, and statistical
<b>Other investment income .....</b>	<b>7,897</b>	<b>8,177</b>	<b>-280</b>	<b>4,470</b>	<b>6,155</b>	<b>-1,685</b>	<b>5,537</b>	<b>5,537</b>	<b>-2,360</b>	<b>-2,640</b>	
Securities .....	1,930	3,244	-1,314	1,852	3,245	-1,393	2,547	2,547	617	-697	Definitional and statistical
Dividends .....	1,371	1,560	-189	1,293	1,560	-267	1,560	1,560	189	.....	Definitional and statistical
Interest on bonds .....	559	1,684	-1,125	559	1,685	-1,126	987	987	428	-697	Definitional and statistical
Canadian claims/U.S. liabilities.....	4,798	2,970	1,828	1,341	1,246	95	1,423	1,423	-3,375	-1,547	Net to gross, gross to net, and statistical
Canadian bank claims .....	4,293	2,206	2,087	843	1,152	-309	1,018	1,018	-3,275	-1,188	Net to gross and statistical
Other private Canadian claims .....	505	764	-259	498	94	404	405	405	-100	-359	Definitional and statistical
U.S. Government liabilities .....	1,170	1,963	-793	1,278	1,664	-386	1,567	1,567	397	-396	Definitional and statistical